

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6778

BILL NUMBER: SB 327

NOTE PREPARED: Jan 24, 2012

BILL AMENDED: Jan 24, 2012

SUBJECT: Special Group and Personalized License Plates.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill make various changes concerning the issuance of special group recognition license plates by the Bureau of Motor Vehicles (BMV). The bill provides for the BMV to issue personalized license plates on a five-year cycle. (Current law provides for personalized license plates to be issued on an annual basis.) The bill also provides that the BMV may issue distinctive permanent plates to an elected constable of a small claims court.

Effective Date: July 1, 2012.

Explanation of State Expenditures: *Changes to Personalized License Plates:* By requiring personalized license plates (PLPs) to be issued on the same 5-year schedule as regular license plates (rather than on an annual basis), this bill is expected to decrease license plate production expenditures.

The BMV reports that between FY 2007 and FY 2011, approximately 223,000 PLPs were issued (both renewals and new requests for PLPs), or an average of 44,500 per year. These 44,500 plates will no longer be required to be reissued annually, but rather every 5th year.

License plates vary in their production costs. As reported by PEN PRODUCTS, the manufacturing arm of prison-made products, the BMV is charged anywhere from \$2.70 to \$3.67 per plate requested. The BMV provided data on the numbers of PLPs issued per year between FY 2007 and FY 2011 by plate cost. As a result of this bill, plate costs are expected to decrease by \$628,000 between FY 2013 and FY 2017.

Plate Cost	Average PLPs Issued by Cost Between FY 2007 and FY 2011	Total Plate Cost Per Year	Expected Cost Savings Over 4 Years
\$3.67	33,834	\$124,172	\$496,689
\$3.19	8,151	\$26,003	\$104,012
\$2.70	2,513	\$6,786	\$27,143
Total	44,499	\$156,961	\$627,843

In addition, the cost savings noted above only account for the plate production costs. The BMV reports the changes in the bill will also decrease the costs to 3M (the contracted provider of license plates) to process, package, and mail license plates. Assuming the cost to process, package, and mail license plates is approximately \$1 per plate, this bill is expected to decrease 3M expenditures by approximately \$178,000 between FY 2013 and FY 2017. It is assumed that any cost savings experienced by 3M would be forwarded to the state.

The total cost savings 3M and PEN PRODUCTS are expected to realize as a result of this bill are estimated to be \$806,000 between FY 2013 and FY 2017.

The remaining provisions of the bill codify current BMV practices regarding special group license plates. No fiscal impact is expected as a result of the changes affecting special group license plates.

(Revised) *Law Enforcement License Plates for Constables*: The bill specifies that an elected constable of a small claims court is eligible for law enforcement license plates. The BMV reports that historically constables received law enforcement plates from the BMV, but this practice recently stopped because it was determined there was no statutory authority to issue law enforcement license plates to constables.

Currently, only one small claims court utilizes constables (Marion County). A total of nine constables are reported in the state. As a result of this bill, constables will not be subject to registration fees for license plates. The annual fee for registration of a passenger vehicle is \$21.05. Under the bill, the state will lose revenue from registration fees of approximately \$189 per year.

Background Information: This bill will reduce plate issuance costs which are provided by the PEN PRODUCTS Revolving Fund and the Motor Vehicle Highway Account.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: BMV, Department of Corrections (PEN PRODUCTS).

Local Agencies Affected:

Information Sources: Mark W. Spratt, Controller, PEN Products, 2010 East New York Street, Indianapolis, IN 46201, (317) 955-6800; Elizabeth Murphy, BMV.

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